

SUBCHAPTER A—REGULATIONS AFFECTING CREDIT UNIONS

PART 700—DEFINITIONS

Sec.

700.1 Scope.

700.2 Definitions.

AUTHORITY: 12 U.S.C. 1752, 1757(6), 1766.

§ 700.1 Scope.

The definitions in § 700.2 apply to terms used in this chapter. Many additional definitions appear in the parts where the terms are used.

[66 FR 65624, Dec. 20, 2001]

§ 700.2 Definitions.

As used in this chapter:

(a) *Act* means the Federal Credit Union Act (73 Stat. 628, 84 Stat. 944, 12 U.S.C. 1751 through 1790).

(b) *Administration* means the National Credit Union Administration.

(c) *Board* means the Board of the National Credit Union Administration.

(d) *Credit Union* means a credit union chartered under the Federal Credit Union Act or, as the context permits, under the laws of any State.

(e)(1) *Insolvency*. A credit union will be determined to be insolvent when the total amount of its shares exceeds the present cash value of its assets after providing for liabilities unless:

(i) It is determined by the Board that the facts that caused the deficient share-asset ratio no longer exist; and

(ii) The likelihood of further depreciation of the share-asset ratio is not probable; and

(iii) The return of the share-asset ratio to its normal limits within a reasonable time for the credit union concerned is probable; and

(iv) The probability of a further potential loss to the insurance fund is negligible.

(2) For purposes of this section, the following definitions are used:

(i) *Cash value of assets*. Recorded value will be considered the cash value of any asset account providing accepted accounting principles and practices are followed and the provisions of law, regulation, and bylaws are met.

(ii) *Liabilities*. Recorded liabilities which are due and payable, excluding

shares of members and non-members, are considered liabilities.

(f) *Paid-in and unimpaired capital and surplus* means shares plus post-closing, undivided earnings. This does not include regular reserves or special reserves required by law, regulation or special agreement between the credit union and its regulator or share insurer. “Paid-in and unimpaired capital and surplus” for purposes of the Central Liquidity Facility is defined in § 725.2(o) of this chapter.

(g) *Regional Director* means the representative of the Administration in the designated geographical area in which the office of the Federal credit union is located.

(h) *Regional Office* means the office of the Administration located in the designated geographical areas in which the office of the Federal credit union is located.

(i) *State* means a State of the United States, the District of Columbia, any of the several territories and possessions of the United States, the Panama Canal Zone, and the Commonwealth of Puerto Rico.

(j) *Unimpaired capital and surplus* means the same as “paid-in and unimpaired capital and surplus,” as defined in paragraph (f) of this section.

[36 FR 23794, Dec. 15, 1971; 37 FR 329, Jan. 11, 1972, as amended at 37 FR 10342, May 20, 1972; 45 FR 47121, July 14, 1980; 54 FR 48234, Nov. 22, 1989; 54 FR 52015, Dec. 20, 1989; 55 FR 1794, Jan. 19, 1990; 57 FR 47985, Oct. 21, 1992; 58 FR 40042, July 27, 1993; 65 FR 44966, July 20, 2000. Redesignated and amended at 66 FR 65624, Dec. 20, 2001; 73 FR 30477, May 28, 2008]

PART 701—ORGANIZATION AND OPERATION OF FEDERAL CREDIT UNIONS

Sec.

701.1 Federal credit union chartering, field of membership modifications, and conversions.

701.2 Federal credit union bylaws.

701.3 Member inspection of credit union books, records, and minutes.

701.4 General authorities and duties of Federal credit union directors.

701.5 [Reserved]

701.6 Fees paid by Federal credit unions.